

110TH CONGRESS  
1ST SESSION

# H. R. 2990

To amend the Internal Revenue Code of 1986 to make geothermal heat pump systems eligible for the energy credit and the residential energy efficient property credit.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2007

Mr. DOGGETT (for himself and Mr. GORDON of Tennessee) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make geothermal heat pump systems eligible for the energy credit and the residential energy efficient property credit.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. ENERGY CREDIT FOR GEOTHERMAL HEAT**  
4               **PUMP SYSTEMS.**

5       (a) IN GENERAL.—Subparagraph (A) of section  
6       48(a)(3) of the Internal Revenue Code of 1986 is amended  
7       by striking “or” at the end of clause (iii), by inserting  
8       “or” at the end of clause (iv), and by adding at the end  
9       the following new clause:

1 “(v) equipment which uses the ground  
 2 or ground water as a thermal energy  
 3 source to heat a structure or as a thermal  
 4 energy sink to cool a structure.”.

5 (b) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to property placed in service after  
 7 the date of the enactment of this Act.

8 **SEC. 2. RESIDENTIAL ENERGY EFFICIENT PROPERTY**  
 9 **CREDIT FOR GEOTHERMAL HEAT PUMP SYS-**  
 10 **TEMS.**

11 (a) IN GENERAL.—Subsection (a) of section 25D of  
 12 the Internal Revenue Code of 1986 is amended by striking  
 13 “and” at the end of paragraph (2), by striking the period  
 14 at the end of paragraph (3) and inserting “, and”, and  
 15 by adding at the end the following new paragraph:

16 “(4) 30 percent of the qualified geothermal  
 17 heat pump property expenditures made by the tax-  
 18 payer during the taxable year.”.

19 (b) QUALIFIED GEOTHERMAL HEAT PUMP PROP-  
 20 erty EXPENDITURES.—Subsection (d) of section 25D of  
 21 such Code is amended by adding at the end the following  
 22 new paragraph:

23 “(4) QUALIFIED GEOTHERMAL HEAT PUMP  
 24 PROPERTY EXPENDITURES.—

“(A) IN GENERAL.—The term ‘qualified geothermal heat pump property expenditures’ means an expenditure for qualified geothermal heat pump property installed on or in connection with a dwelling unit located in the United States and used as a principal residence (within the meaning of section 121) by the taxpayer.

“(B) QUALIFIED GEOTHERMAL HEAT PUMP PROPERTY.—The term ‘qualified geothermal heat pump property’ means any equipment which—

“(i) uses the ground or ground water as a thermal energy source to heat the dwelling unit referred to in subparagraph (A) or as a thermal energy sink to cool such dwelling unit, and

“(ii) meets the requirements of the Energy Star program which are in effect at the time that the expenditure for such equipment is made.”.

(c) MAXIMUM CREDIT LIMITATION.—Paragraph (1) of section 25D(b) of such Code is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “,

1 and”, and by adding at the end the following new subpara-  
2 graph:

3 “(D) \$2,000 with respect to any qualified  
4 geothermal heat pump property expenditures.”.

5 (d) COORDINATION WITH CREDIT FOR NONBUSI-  
6 NESS ENERGY PROPERTY.—Subsection (b) of section 25D  
7 of such Code is amended by adding at the end the fol-  
8 lowing new paragraph:

9 “(3) DENIAL OF DOUBLE BENEFIT FOR GEO-  
10 THERMAL HEAT PUMPS.—The credit allowed under  
11 subsection (a) (determined without regard to this  
12 paragraph and subsection (c)) with respect to any  
13 qualified geothermal heat pump property expendi-  
14 tures shall be reduced by the amount of any credit  
15 allowed under section 25C with respect to such ex-  
16 penditures.”.

17 (e) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to expenditures made after the  
19 date of the enactment of this Act.

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